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JANUARY 16, 1953

STATEMENT BY THE PRESIDENT

I have today issued an Executive order setting aside the submerged lands of the continental shelf as a naval petroleum reserve, to be administered by the Secretary of the Navy. The great oil and gas deposits in these lands will be conserved and utilized in order to promote the security of the Nation. This is an important step in the interest of the national defense.

The tremendous importance of oil to the Government of the United States in these times is difficult to overestimate.

The latest statistics indicate that, during the year 1952, the domestic consumption of petroleum products in the United States averaged about 7.3 million barrels per day. A large part of that daily consumption of petroleum products was attributable to agencies of the Federal Government, particularly the three military departments of the Army, the Navy, and the Air Force.

The domestic production of petroleum during the year 1952, according to the latest statistics, averaged about 6.8 million barrels per day. It will be seen, therefore, that the production of petroleum in the United States during 1952 fell far short of meeting the consumption of petroleum products. This deficit is expected to grow larger year by year.

In view of the great demand for oil by the Government for defense purposes, it is of the utmost importance that the vast oil deposits in the continental shelf, which are assets of all the people of the United States, be conserved and utilized for the national security.

At the present time, there are a total of 22 known oil fields in the continental shelf adjacent to the coasts of California, Louisiana, and Texas. These known fields contain estimated proven reserves aggregating approximately 492 million barrels of oil.

Moreover, it has been estimated, on the basis of available scientific data, that the continental shelf adjacent to the coasts of these three States actually contains a grand total of about 15 billion barrels of oil.

In order that these great reservoirs of oil, which belong to all the people of the United States and are of such crucial importance from the standpoint of the national security, may be preserved for the Nation, I have set them aside as a naval petroleum reserve.

The Executive order does not require the shutdown of any existing production of oil from submerged lands of the continental shelf. Special provisions have been inserted in the order to permit the continuation of this existing production.

It has been, and still is, my firm conviction that it would be the height of folly for the United States to give away the vast quantities of oil contained in the continental shelf, and then buy back this same oil at stiff prices for use by the Army, the Navy, and the Air Force in the defense of the Nation.

(OVER)

EXECUTIVE ORDER

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SETTING ASIDE SUBMERGED LANDS OF THE CONTINENTAL SHELF AS A NAVAL PETROLEUM RESERVE

By virtue of the authority vested in me as President of the United States, it is ordered as follows:

Section 1. (a) Subject to valid existing rights, if any, and to the provisions of this order, the lands of the continental shelf of the United States and Alaska lying seaward of the line of mean low tide and outside the inland waters and extending to the furthermost limits of the paramount rights, full dominion, and power of the United States over lands of the continental shelf are hereby set aside as a naval petroleum reserve and shall be administered by the Secretary of the Navy.

(b) The reservation established by this section shall be for oil and gas only, and shall not interfere with the use of the lands or waters within the reserved area for any lawful purpose not inconsistent with the reservation.

Section 2. The provisions of this order shall not affect the operating stipulation which was entered into on July 26, 1947, by the Attorney General of the United States and the Attorney General of California in the case of United States of America v. State of California (in the Supreme Court of the United States, October Term, 1947, No. 12, Original), as thereafter extended and modified.

Section 3. (a) The functions of the Secretary of the Interior under Parts II and III of the notice issued by the Secretary of the Interior on December 11, 1950, and entitled "Oil and Gas Operations in the Submerged Coastal Lands of the Gulf of Mexico" (15 F. R. 8835), as supplemented and amended, are transferred to the Secretary of the Navy; and the term "Secretary of the Navy" shall be substituted for the term "Secretary of the Interior" wherever the latter term occurs in the said Parts II and III.

(b) Paragraph (c) of Part III of the aforesaid notice dated December 11, 1950, as amended, is amended to read as follows:

> "(c) The remittance shall be deposited in a suspense account within the Treasury of the United States, subject to the control of the Secretary of the Navy, the proceeds to be expended in such manner as may hereafter be directed by an act of Congress or, in the absence of such direction, refunded (which may include a refund of the money for reasons other than those hereinafter set forth) or deposited into the general fund of the Treasury, as the Secretary of the Navy may deem to be proper."

(c) The provisions of Parts II and III of the aforesaid notice dated December 11, 1950, as supplemented and amended, including the amendments made by this order, shall continue in effect until changed by the Secretary of the Navy.

Section 4. Executive Order No. 9633 of September 28, 1945, entitled "Reserving and Placing Certain Resources of the Continental Shelf under the Control and Jurisdiction of the Secretary of the Interior" (10 F. R. 12305), is hereby revoked.

HARRY S. TRUMAN

THE WHITE HOUSE,

January 16, 1953.